



Manufacturers' Shipments, Inventories, and Orders

May 1974



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SUMMARY

New orders for manufactured products in May increased \$3.03 billion or 3.7 percent to \$85.09 billion from \$82.06 billion in April after seasonal adjustment. Shipments increased \$1.79 billion or 2.3 percent to \$80.84 billion from \$79.05 billion in April. Unfilled orders increased \$4.25 billion or 3.5 percent to \$127.21 billion at the end of May. Manufacturers' inventories increased \$2.33 billion or 1.8 percent to \$130.76 billion at the end of May. The inventories to shipments ratio remained unchanged at 1.62.

For the 3 months ending in May, the average month to month change in new orders increased 2.5 percent compared with a 0.3 percent increase for the 3 months ending in February and a 1.4 percent increase for the 3 months ending in November.

NEW ORDERS

New orders for durable goods increased \$2.60 billion or 5.9 percent to \$46.72 billion in May primarily due to increases in primary metals (\$1.50 billion), electrical machinery (\$430 million) and nonelectrical machinery (\$380 million). Among the supplementary series, household durables increased \$225 million and the capital goods industries increased \$555 million with the defense segment accounting for all of this increase.

SHIPMENTS

Shipments of durable goods increased \$1.19 billion or 2.9 percent to \$42.42 billion in May led by fabricated metal products (\$380 million), primary metals (\$365 million) and electrical machinery (\$235 million). Shipments of nondurable goods increased \$600 million or 1.6 percent to \$38.42 billion with the petroleum industry increasing \$270 million.

UNFILLED ORDERS

Unfilled orders of durable goods increased \$4.30 billion or 3.7 percent to \$122.12 billion at the end of April as increases were registered in primary metals (\$1.60 billion), nonelectrical machinery (\$1.13 billion) and electrical machinery (\$670 million).

INVENTORIES

Inventories of durable goods increased \$1.43 billion and nondurable goods \$890 million between the end of May and April. At the all manufacturing level, materials and supplies increased \$1.41 billion, work in process increased \$585 million and finished goods increased \$335 million.

SCHEDULED RELEASE DATES

The figures on the durable goods industries in this report supersede those issued earlier in the advance report on durable goods. The present report is based on more complete reporting, but the estimates are also considered preliminary. Final figures will appear as historical data in the report to be published for next month. The advance report on durable goods for June is scheduled for release on July 22, 1974 and the full report is scheduled for release on July 31, 1974.

This report contains data on an unadjusted and seasonally adjusted basis. However, the data are not adjusted for price changes. For an explanation of terms used in this report see appendix following table 5.

Inquiries concerning these figures should be addressed to the U.S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census, Industry Division, Washington, D.C. 20233.



U.S. DEPARTMENT OF COMMERCE | Social and Economic Statistics Administration | BUREAU OF THE CENSUS

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Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Shipments						Total inventories					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	May 1974 ^p	Apr. 1974 ^r	Mar. 1974	May 1974 ^p	Apr. 1974 ^r	May 1973	May 1974 ^p	Apr. 1974 ^r	Mar. 1974	May 1974 ^p	Apr. 1974 ^r	May 1973
All manufacturing industries:												
Total.....	80,840	79,050	78,197	82,100	80,823	71,644	130,763	128,438	126,500	131,922	129,464	112,604
Total, excluding transportation.....	72,084	70,351	70,020	72,624	71,628	61,440	112,097	109,948	107,829	113,323	110,870	96,020
Durable goods industries, total.	42,420	41,232	40,635	42,864	42,699	39,760	85,542	84,108	83,014	86,389	84,911	73,562
Stone, clay, and glass products.	2,162	2,191	2,154	2,251	2,229	2,182	3,103	3,027	2,952	3,204	3,147	2,606
Primary metals, total.....	7,410	7,047	7,059	8,039	7,757	6,195	9,895	9,723	9,562	9,873	9,749	9,395
Blast furnaces, steel mills.	3,462	3,208	3,420	3,885	3,641	3,034	4,569	4,542	4,546	4,528	4,515	4,895
Nonferrous metals.....	2,852	2,831	2,686	3,037	3,052	2,253	3,910	3,795	3,670	3,898	3,822	3,293
All other primary metals....	1,096	1,008	953	1,117	1,064	908	1,416	1,386	1,346	1,447	1,412	1,107
Fabricated metal products total.....	5,260	4,879	4,836	5,280	4,948	4,503	9,756	9,583	9,384	9,918	9,677	8,323
Metal cans, barrels, and drums.....	591	489	567	593	486	450	946	941	926	990	955	792
Machinery, except electrical, total.....	6,980	6,884	6,969	7,155	7,172	6,199	18,564	18,102	17,693	18,713	18,275	15,297
Engines and turbines.....	525	530	562	536	519	522	1,606	1,584	1,548	1,612	1,578	1,305
Farm machinery and equipment.	719	690	678	741	802	611	1,585	1,563	1,524	1,601	1,598	1,315
Construction, mining, and material handling equipment.	1,320	1,314	1,308	1,356	1,407	1,190	3,602	3,535	3,500	3,635	3,570	2,960
Metalworking machinery.....	467	487	483	478	478	332	1,591	1,557	1,528	1,600	1,564	1,250
General industrial machinery	643	635	654	652	641	531	1,577	1,535	1,501	1,608	1,569	1,326
Electrical machinery, total....	5,964	5,727	5,629	5,743	5,552	5,111	13,488	13,341	13,133	13,828	13,489	11,503
Electrical transmission and distribution equipment and industrial apparatus.....	1,076	1,091	1,048	1,117	1,093	1,013	2,946	2,919	2,831	2,993	2,948	2,142
Household appliances.....	800	790	767	814	801	675	1,180	1,189	1,239	1,222	1,215	1,188
Radio and TV.....	635	516	562	453	375	373	1,136	1,132	1,186	1,245	1,171	1,120
Communication equipment.....	1,279	1,190	1,210	1,262	1,237	1,163	2,843	2,820	3,716	2,905	3,847	3,163
Transportation equipment, total	8,756	8,699	8,177	9,476	9,195	10,204	18,666	18,490	18,671	18,599	18,594	16,584
Motor vehicles and parts....	5,644	5,465	5,042	6,176	5,891	7,006	5,544	5,583	5,649	5,477	5,589	4,742
Aircraft, missiles, and parts.....	1,959	2,090	1,974	2,011	2,049	2,055	10,074	9,952	10,006	10,116	10,020	9,288
Shipbuilding and railroad equipment.....	450	430	414	453	431	380	2,249	2,167	2,182	2,200	2,167	1,734
Instruments and related products, total.....	1,304	1,270	1,315	1,300	1,244	1,170	3,769	3,702	3,627	3,869	3,777	2,814
Scientific and engineering..	642	659	666	645	661	611	1,904	1,898	1,874	1,942	1,923	1,598
All other instruments and related products.....	662	611	649	655	583	559	1,865	1,804	1,753	1,927	1,854	1,216
All other durable goods industries.....	4,584	4,535	4,496	4,620	4,602	4,196	8,301	8,140	7,992	8,385	8,203	7,040
Nondurable goods industries, total.....	38,420	37,818	37,562	38,236	38,124	31,884	45,221	44,330	43,486	45,533	44,553	39,042
Food and kindred products, total.....	12,329	12,451	12,730	12,163	12,171	10,740	11,059	11,164	11,035	10,834	10,962	9,649
Meat products.....	2,643	2,782	2,860	2,667	2,727	2,672	1,165	1,221	1,301	1,199	1,278	1,021
Fats and oils.....	1,032	1,084	1,122	1,033	1,085	780	866	823	796	853	859	835
Tobacco products.....	582	549	544	588	531	526	2,558	2,561	2,588	2,522	2,630	2,319
Textile mill products.....	2,966	2,851	2,759	2,894	2,806	2,549	4,785	4,769	4,733	4,981	4,898	4,462
Paper and allied products, total.....	3,304	3,235	3,091	3,284	3,258	2,699	3,757	3,656	3,484	3,808	3,691	2,987
Pulp, paper, etc.....	1,424	1,464	1,348	1,412	1,479	1,146	1,295	1,303	1,229	1,303	1,315	1,037
Paperboard containers.....	823	800	790	836	826	742	1,078	1,049	1,004	1,089	1,053	868
All other paper containers..	1,057	971	953	1,036	953	811	1,384	1,304	1,251	1,416	1,323	1,082
Chemicals and allied products, total.....	6,499	6,490	6,435	6,958	7,094	5,784	8,142	7,826	7,655	8,185	7,908	7,078
Industrial chemicals, except pigments.....	2,181	2,073	1,986	2,271	2,226	1,651	2,254	2,167	2,124	2,227	2,171	1,953
Drugs, soap, and toiletries.	1,601	1,622	1,593	1,457	1,577	1,358	2,767	2,637	2,558	2,820	2,560	2,230
Petroleum and coal products...	4,803	4,531	4,404	4,735	4,409	2,781	3,544	3,312	3,002	3,504	3,239	2,297
Rubber and plastics products, n.e.c.....	1,902	1,879	1,826	1,961	1,885	1,710	2,891	2,759	2,742	2,904	2,825	2,468
All other nondurable goods industries.....	6,035	5,832	5,773	5,652	5,780	5,089	8,474	8,273	8,247	8,795	8,400	7,782

See footnotes at end of table.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP--Continued

(Millions of dollars)

Industry group	New orders						Unfilled orders					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	May 1974 ^P	Apr. 1974 ^F	Mar. 1974	May 1974 ^P	Apr. 1974 ^F	May 1973	May 1974 ^P	Apr. 1974 ^F	Mar. 1974	May 1974 ^P	Apr. 1974 ^F	May 1973
All manufacturing industries:												
Total.....	85,088	82,059	79,547	84,679	83,152	73,381	127,208	122,961	119,955	127,453	124,875	97,610
Total, excluding transportation.....	76,054	73,301	71,549	75,337	74,013	63,240	95,440	91,471	88,525	96,106	93,393	71,086
Durable goods industries, total.....	46,723	44,124	41,974	46,482	44,904	41,404	122,121	117,817	114,927	122,251	119,632	92,788
Primary metals, total.....	9,011	7,510	6,930	8,689	7,680	6,734	15,709	14,106	13,645	16,347	15,696	12,486
Blast furnaces, steel mills.....	4,641	3,303	3,037	4,291	3,247	3,393	9,293	8,114	8,019	9,860	9,453	8,514
Nonferrous metals.....	3,160	2,994	2,764	3,157	3,194	2,322	3,607	3,298	3,136	3,639	3,519	2,529
Fabricated metal products.....	5,688	5,557	5,165	5,668	5,642	4,849	17,508	17,079	16,401	17,553	17,165	12,056
Machinery, except electrical, total.....	8,113	7,734	8,018	8,148	8,105	6,600	26,188	25,057	24,207	26,319	25,324	17,437
Engines and turbines.....	547	496	965	532	534	499	6,431	6,410	6,444	6,458	6,461	4,857
Construction, mining, and material handling equipment.....	1,822	1,690	1,503	1,850	1,823	1,288	5,839	5,347	4,971	5,915	5,422	3,344
Metalworking machinery.....	558	573	587	562	573	406	2,448	2,357	2,272	2,419	2,334	1,557
General industrial machinery.....	780	753	770	758	750	613	2,711	2,575	2,457	2,747	2,642	1,815
Electrical machinery, total.....	6,635	6,204	5,751	6,271	5,942	5,392	22,287	21,617	21,140	21,956	21,430	17,287
Electrical transmission and distribution equipment and industrial apparatus.....	1,252	1,265	1,092	1,296	1,248	1,089	6,417	6,241	6,066	6,421	6,243	4,714
Household appliances.....	805	792	774	617	798	660	123	118	117	126	123	129
Radio and TV.....	670	529	537	518	385	362	627	592	579	626	561	591
Communication equipment.....	1,682	1,531	1,195	1,414	1,496	1,121	7,272	6,870	6,530	6,924	6,772	5,992
Transportation equipment, total.....	9,034	8,758	7,998	9,342	9,139	10,141	31,768	31,490	31,430	31,347	31,482	26,524
Aircraft, missiles, and parts.....	2,096	1,795	5,106	1,858	1,756	1,915	18,692	18,555	18,848	18,341	18,493	17,177
Shipbuilding and railroad equipment.....	414	559	261	405	499	350	7,969	8,005	7,876	7,964	8,012	5,761
All other durable goods industries.....	8,242	8,361	8,112	8,364	8,396	7,688	8,661	8,468	8,104	8,729	8,535	6,998
Nondurable goods industries, total.....	38,365	37,935	37,573	38,197	38,248	31,977	5,087	5,144	5,028	5,202	5,243	4,822
Industries with unfilled orders.....	9,370	9,263	8,908	9,234	9,276	8,292	5,087	5,144	5,028	5,202	5,243	4,822
Industries without unfilled orders.....	28,995	28,672	28,665	28,963	28,972	23,685	-	-	-	-	-	-

- Represents zero. ^PPreliminary. ^FRevised.¹Adjusted for trading-day and calendar-month variations.

Table 2.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, FOR MARKET CATEGORIES AND SUPPLEMENTARY SERIES

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment		
	May 1974 ^P	Apr. 1974 ^R	Mar. 1974	May 1974 ^P	Apr. 1974 ^R	May 1973	May 1974 ^P	Apr. 1974 ^R	Mar. 1974	May 1974 ^P	Apr. 1974 ^R	May 1973
	Shipments						Total inventories					
All manufacturing industries, total..	80,840	79,050	78,197	82,100	80,823	71,644	130,763	128,438	126,500	131,922	129,464	112,604
Durable goods industries, total.....	42,420	41,232	40,635	43,864	42,699	39,760	85,542	84,108	83,014	86,389	84,911	73,562
Nondurable goods industries, total.....	38,420	37,818	37,562	38,236	38,124	31,884	45,221	44,330	43,486	45,533	44,553	39,042
Industry groups arranged by market categories:												
Home goods and apparel.....	7,845	7,476	7,433	7,249	7,202	6,185	13,618	13,578	13,695	14,268	13,857	13,023
Consumer staples.....	15,016	15,034	15,218	14,733	14,760	13,327	16,990	16,923	16,753	16,805	16,809	14,676
Equipment and defense products, except automotive.....	10,425	10,433	10,335	10,610	10,692	9,456	33,760	33,142	32,721	34,046	33,424	28,577
Automotive equipment.....	6,946	6,744	6,327	7,633	7,337	8,313	7,314	7,287	7,378	7,262	7,361	6,390
Construction materials, supplies, and intermediate products.....	6,652	6,436	6,329	6,896	6,627	6,304	11,390	11,055	10,669	11,529	11,257	9,347
Other materials and supplies and intermediate products.....	33,956	32,927	32,555	34,977	34,205	28,059	47,691	46,453	45,284	48,012	46,756	40,591
Supplementary series: ²												
Household durable goods industries.....	3,505	3,284	3,335	3,327	3,160	2,847	6,657	6,629	6,682	6,917	6,760	6,103
Capital goods industries.....	12,125	12,143	12,019	12,291	12,241	11,094	38,004	37,263	36,752	38,315	37,547	32,363
Nondefense.....	10,513	10,557	10,407	10,692	10,664	9,443	31,895	31,285	30,786	32,202	31,532	26,977
Defense.....	1,612	1,586	1,612	1,599	1,577	1,651	6,109	5,978	5,966	6,113	6,015	5,386
	New orders						Unfilled orders					
All manufacturing industries, total..	85,088	82,059	79,547	84,679	83,152	73,381	127,208	122,961	119,955	127,453	124,875	97,610
Durable goods industries, total.....	46,723	44,124	41,974	46,482	44,904	41,404	122,121	117,817	114,927	122,251	119,632	92,788
Nondurable goods industries, total.....	38,365	37,935	37,573	38,197	38,248	31,977	5,087	5,144	5,028	5,202	5,243	4,822
Industry groups arranged by market categories:												
Home goods and apparel.....	7,882	7,539	7,488	7,342	7,254	6,250	2,989	2,961	2,906	2,948	2,870	2,638
Consumer staples.....	15,006	15,027	15,215	14,721	14,736	13,316						
Equipment and defense products, except automotive.....	11,919	11,530	10,974	11,525	11,581	9,748	61,331	59,663	58,342	60,723	59,741	47,486
Automotive equipment.....	7,123	6,969	6,394	7,700	7,506	8,420						
Construction materials, supplies, and intermediate products.....	7,042	6,998	6,577	7,237	7,289	6,610	16,116	15,726	15,164	16,237	15,898	11,345
Other materials and supplies and intermediate products.....	36,116	33,996	32,899	36,154	34,783	29,037	46,772	44,611	43,543	47,545	46,366	36,141
Supplementary series: ²												
Household durable goods industries.....	3,560	3,336	3,375	3,417	3,168	2,895	2,356	2,300	2,249	2,289	2,200	2,072
Capital goods industries.....	14,006	13,452	12,762	13,484	13,447	11,315	68,593	66,716	65,406	68,046	66,851	53,030
Nondefense.....	11,918	11,925	11,300	11,896	12,072	10,040	46,495	45,094	43,728	46,566	45,360	33,779
Defense.....	2,088	1,527	1,462	1,588	1,375	1,789	22,098	21,622	21,678	21,480	21,491	19,251

During 1968 manufacturers in ordnance, communications, aircraft and aircraft parts, and shipbuilding industries began to provide aggregate figures on shipments, orders, and total inventories of work performed for the Department of Defense. The results of these reports are included in the defense series. ^PPreliminary. ^RRevised. ¹Shipments and new orders adjusted for trading-day and calendar-month variations; unfilled orders and inventories as of end of month. ²The supplementary series are regroupings of the separate industry categories as follows:

Household durable goods industries - Household furniture; kitchen articles and pottery; cutlery, handtools, and hardware; household appliances; ophthalmic goods, watches, and clocks; and miscellaneous personal goods.

Capital goods industries - The capital goods industries series is comparable to the previous Producers' Capital Goods and the Defense Products (old series) categories.

Nondefense products - Machinery, except electrical (excluding farm machinery and equipment and machine shops), electrical machinery (excluding household appliances and electronic components), and the nondefense portions of shipbuilding and repairing and railroad equipment, communication equipment, aircraft and aircraft parts, and ordnance.

Defense products - Based on separate reports on defense work filed by large defense contractors in the following industries: ordnance, communications, aircraft and aircraft parts, and shipbuilding. The data are comparable to those published annually in the MA-175, Shipments of Defense-Oriented Industries, for the specified industries.

Table 3.--MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS MONTH-TO-MONTH AND LONG TERM PERCENT CHANGES

(Based on seasonally adjusted data)

Item and industry group	Month-to-month			Average monthly rates of change				Average, 1968-1973	
	Apr.- May 1974	Mar.- Apr. 1974	Feb.- Mar. 1974	3 months			12 months	Average rise	Average decline
				Feb.- May 1974	Nov. 1973- Feb. 1974	Aug.- Nov. 1973	May 1973 May 1974		
Shipments:									
All manufacturing industries.....	+2.3	+1.1	+1.6	+1.7	+0.4	+1.8	+1.2	+1.3	-1.0
Durable goods industries, total.....	+2.9	+1.5	+1.4	+1.9	+0.8	+1.8	+0.9	+1.8	-1.5
Nondurable goods industries, total.....	+1.6	+0.7	+1.8	+1.4	+1.7	+1.7	+1.5	+1.1	+0.8
Total inventories:									
All manufacturing industries.....	+1.8	+1.5	+1.3	+1.5	+1.8	+1.0	+1.3	+0.6	+0.1
New orders:									
All manufacturing industries.....	+3.7	+3.2	+0.5	+2.5	+0.3	+1.4	+1.2	+1.7	-1.3
Durable goods industries, total.....	+5.9	+5.1	+0.7	+3.4	+0.9	+1.2	+1.0	+2.5	-2.0
Nondurable goods industries, total.....	+1.1	+1.0	+1.9	+1.3	+1.6	+1.7	+1.5	+1.1	+0.8
Unfilled orders:									
Durable goods industries, total.....	+3.7	+2.5	+1.2	+2.5	+1.6	+2.2	+2.3	+1.3	-1.0

Table 4.--VALUE OF MANUFACTURERS' INVENTORIES, BY STAGE OF FABRICATION, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment			Seasonally adjusted			Without seasonal adjustment		
	May 1974 ^D	Apr. 1974 ^R	Mar. 1974	May 1974 ^D	Apr. 1974 ^R	May 1973	May 1974 ^D	Apr. 1974 ^R	Mar. 1974	May 1974 ^D	Apr. 1974 ^R	May 1973
	Total						Materials and supplies					
All manufacturing industries, total..	130,763	128,438	126,500	131,922	129,464	112,604	45,856	44,448	43,397	45,638	44,377	35,626
Durable goods industries, total.....	85,542	84,108	83,014	86,389	84,911	73,562	27,756	26,913	26,335	27,557	26,703	21,001
Stone, clay, and glass products.....	3,103	3,027	2,952	3,204	3,147	2,606	1,187	1,155	1,109	1,188	1,162	852
Primary metals.....	9,895	9,723	9,562	9,873	9,749	9,395	4,325	4,140	3,915	4,170	3,965	3,206
Machinery (electrical and nonelectrical)	320,523	31,443	30,826	32,541	31,764	26,800	9,640	9,283	9,006	9,696	9,341	7,196
Transportation equipment.....	18,666	18,490	18,671	18,599	18,594	16,584	3,800	3,830	3,936	3,773	3,838	3,174
All other durable goods industries.....	21,826	21,425	21,003	22,172	21,657	18,177	8,804	8,505	8,369	8,730	8,397	6,573
Nondurable goods industries, total.....	45,221	44,330	43,486	45,533	44,553	39,042	18,100	17,535	17,062	18,081	17,674	14,625
Chemicals and allied products.....	8,143	7,836	7,655	8,185	7,908	7,078	3,476	3,299	3,110	3,464	3,308	2,499
Petroleum and coal products.....	3,544	3,312	3,002	3,504	3,239	2,297	901	782	679	900	777	512
Rubber and plastics products, n.e.c.....	2,891	2,759	2,742	2,904	2,825	2,468	1,141	1,072	1,055	1,131	1,071	745
All other nondurable goods industries....	30,643	30,423	30,087	30,940	30,581	27,199	12,582	12,382	12,218	12,586	12,516	10,869
	Work in process						Finished goods					
All manufacturing industries, total..	45,227	44,643	43,996	45,553	44,960	39,700	39,680	39,347	39,107	40,731	40,127	37,278
Durable goods industries, total.....	38,146	37,721	37,264	38,368	38,037	33,477	19,640	19,174	19,415	20,464	20,171	19,084
Stone, clay, and glass products.....	407	403	396	424	435	361	1,509	1,469	1,447	1,592	1,550	1,393
Primary metals.....	3,473	3,471	3,430	3,508	3,551	3,556	2,097	2,112	2,217	2,195	2,233	2,633
Machinery (electrical and nonelectrical)	14,656	14,419	14,135	14,781	14,494	12,061	7,756	7,741	7,685	8,064	7,929	7,543
Transportation equipment.....	13,255	13,042	13,076	13,211	13,119	11,966	1,611	1,618	1,659	1,615	1,637	1,444
All other durable goods industries.....	6,355	6,386	6,227	6,444	6,438	5,533	6,667	6,534	6,407	6,998	6,822	6,071
Nondurable goods industries, total.....	7,081	6,922	6,732	7,185	6,923	6,223	20,040	19,873	19,692	20,267	19,956	18,194
Chemicals and allied products.....	1,293	1,259	1,236	1,310	1,267	1,121	3,374	3,278	3,309	3,411	3,333	3,458
Petroleum and coal products.....	981	892	779	990	880	537	1,662	1,638	1,544	1,614	1,582	1,248
Rubber and plastics products, n.e.c.....	440	429	425	437	428	387	1,310	1,258	1,262	1,336	1,326	1,336
All other nondurable goods industries....	4,367	4,342	4,292	4,448	4,348	4,178	13,694	13,699	13,577	13,906	13,715	12,152

^DPreliminary.^RRevised.

Table 5.--RATIO OF MANUFACTURERS' INVENTORIES TO SHIPMENTS AND UNFILLED ORDERS TO SHIPMENTS, BY INDUSTRY GROUP

(Based on seasonally adjusted data)

Industry group	Inventories - shipments ratio				Unfilled orders - shipments ratio ¹ 'months' backlog			
	May 1974 ^P	Apr. ^R 1974	Mar. 1974	May 1973	May 1974 ^P	Apr. ^R 1974	Mar. 1974	May 1973
All manufacturing industries, total.....	1.62	1.62	1.62	1.59	2.69	2.68	2.64	2.34
Durable goods industries, total.....	2.02	2.04	2.04	1.90	3.23	3.21	3.15	2.79
Stone, clay, and glass products.....	1.44	1.38	1.37	1.20	NA	NA	(NA)	(NA)
Primary metals.....	1.34	1.38	1.35	1.65	2.12	2.00	1.93	2.09
Fabricated metals.....	1.85	1.96	1.94	1.83	3.75	3.89	3.84	2.98
Machinery, except electrical.....	2.66	2.63	2.54	2.51	3.75	3.64	3.47	2.87
Electrical machinery.....	2.26	2.33	2.33	2.12	3.74	3.77	3.76	3.32
Transportation equipment.....	2.13	2.13	2.28	1.77	6.36	6.33	6.43	5.38
Instruments and related products.....	2.89	2.91	2.76	2.34	(NA)	NA	(NA)	(NA)
Nondurable goods industries, total.....	1.18	1.17	1.16	1.21	0.54	0.56	0.57	0.57
Food and kindred products.....	0.90	0.90	0.87	0.91	(X)	X	(X)	(X)
Tobacco products.....	4.40	4.66	4.76	4.52	(X)	X	(X)	(X)
Textile mill products.....	1.62	1.67	1.72	1.64	NA	NA	(NA)	(NA)
Paper and allied products.....	1.14	1.13	1.13	1.09	NA	NA	(NA)	(NA)
Chemicals and allied products.....	1.25	1.21	1.19	1.31	X	X	(X)	(X)
Petroleum and coal products.....	0.74	0.73	0.68	0.82	(X)	X	(X)	(X)
Rubber and plastics products, n.e.c.....	1.52	1.47	1.50	1.48	(X)	X	(X)	(X)

(NA) Not available. P Preliminary. R Revised. (X) Not applicable.

¹Excludes the following industries with no unfilled order: Wooden containers; glass containers; metal cans, barrels and drums; motor vehicle assembly operations; foods and related products; tobacco; apparel and related products; chemicals; petroleum and coal products; and rubber and plastics products, n.e.c.

Appendix

The following is a description of the survey and definitions used. These are provided to clarify the meaning of the items involved and do not represent any revisions from those definitions previously employed.

DESCRIPTION OF THE SURVEY

The Manufacturers' Shipments, Inventories, and Orders survey provides monthly figures that are comparable to the annual totals published each year in the annual survey of manufactures (ASM). The ASM is based on a sample of approximately 60,000 manufacturing establishments drawn from the 5-year census universe of about 310,000 establishments. In the ASM, each manufacturing establishment provides data on employment, payrolls, shipments, cost of materials, capital expenditures, and inventories as well as other selected items. The establishments do not provide information on unfilled orders or new orders. Since the ASM is establishment based, it provides data for each of the 425 manufacturing industries in the Standard Industrial Classification System (SIC) and area data for industry groups.

The monthly survey M3-1 does not provide information at the complete SIC industry detail because of the smaller size of the reporting panel and the fact that most companies cannot provide shipments, inventories, and orders data monthly for individual establishments.

The monthly reporting panel consists of approximately 5,000 reporting units and includes virtually all companies with 1,000 or more employees and a sample of the smaller ones. The reporting unit typically comprises the entire operations of a company although many of the larger diversified companies file separate divisional type reports for their operations in different industries.

Most of the reporting units include mixed industry activity even within the broad industry categories of the monthly survey. The survey methodology assumes that the month-to-month changes of the reporting units classified in each industry category represent effectively the month-to-month movements of the establishments in the SIC industries which make up the category. Thus, the monthly reports are used to update the ASM estimates by using a link relative of matched companies in each industry.

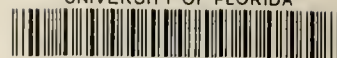
EXPLANATION OF TERMS

Value of Shipments--Shipments in the monthly survey are equivalent to value of shipments as reported in the ASM which are received or receivable net selling values, f.o.b. plant, after discounts and allowances and excluding freight charges and excise taxes. Included in shipments are the value of all products sold, transferred to other plants of the same company, or shipped on consignment.

Shipments also include receipts of establishments in the industry for contract work performed for others, resales, receipts for miscellaneous activities such as the sale of scrap and refuse; value of installation and repair work performed by employees of the plant; and value of research and development performed at the plant. In the aircraft industry and shipbuilding, the value of work done in a given year varies considerably from the value of shipments because of the long lead time between the input of the materials and labor and the shipments of the completed aircraft or ship. In the annual survey, therefore, the value of work done during the year is requested rather than the value of shipments.

The value of shipments figures developed from the ASM contain duplication at the all manufacturing and industry group levels since the products of some industries are used as materials by other industries within the industry group. With the exception of motor vehicles, it is not significant at the 4-digit SIC group level. Since the M3-1 industry categories typically are groupings of industries, this duplication is significant for the all manufacturing, durable goods and nondurable goods categories and the various market groups. The significance of the duplication within the specific M3-1 industry groups varies depending on the 4-digit industry composition of these groups. It is most pronounced in a few highly integrated industry areas such as primary metals and motor vehicles and parts.

Since most monthly reports are for the entire company or major divisions rather than establishments, the companies are requested to report net sales, i.e., total company billings after discounts and allowances. Companies which file divisional reports are requested to treat transfers from one division of the company to another as if they were net sales to outside customers. Although this



definition of shipments in the monthly reports differs from that used in the annual establishment reports, it is assumed that the month-to-month changes in company sales in the industry are representative of the month-to-month shipments of the establishments in the industry.

Inventories--End-of-month inventories in the monthly survey are identical in definition to the end-of-year inventories in the ASM. In the ASM, respondents are asked to report inventories of individual establishments at approximate current cost if feasible; otherwise, "at book values." Since different methods of inventory valuation are used (LIFO, FIFO, etc.), the definition of the aggregate inventories for establishments in an industry is not precise. The figures on the change in inventories from one period to the next are of greater significance than the actual aggregates.

Inventories are reported by stage of fabrication: (a) finished goods; (b) work in process; and (c) materials, supplies, fuel, and other inventories. In using inventories by stage of fabrication at the all manufacturing and 2-digit industry levels as well as for the durable and non-durable goods sectors, it should be noted that a finished product of one industry may be a raw material for another industry at the next stage of fabrication. Insofar as the durable and nondurable goods sectors and also the 2-digit industry groups contain industries with successive stages of processing, the same type of commodity may be included under different inventory categories in the aggregate statistics.

New Orders Received and Unfilled Orders--

Orders as reported in the monthly survey are net of cancellations during the month. They include orders received during the period and also filled during the period as well as those orders received for future delivery. They also include the net sales value of contract change documents which increase or decrease the sales value of the unfilled orders to which they relate. Orders include only those supported by binding legal documents such as signed contracts, or letter contracts. In case of letter contracts the full amount of the sales value is included if the parties are in substantial agreement on the amount; otherwise, only the funds specifically authorized to be expended are included. The respondent is instructed to deduct the sales value of partial or complete cancellation of existing orders.

Unfilled orders include orders as defined above that have not yet passed through the sales account. Generally, unfilled orders at the end of the reporting period are equal to unfilled orders at the beginning of the period plus net new orders received less net sales.

While both new orders and unfilled orders are used in reviewing individual company reports for consistency, only unfilled orders are estimated directly in the tabulated totals. New orders are derived from the shipments plus net change in unfilled orders for each industry category. This procedure is followed for seasonally adjusted data as well as for the unadjusted data. Shipments and unfilled orders are seasonally adjusted independently. Seasonally adjusted new orders are derived from seasonally adjusted shipments and seasonally adjusted unfilled orders.

